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REMARKS

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Claims 1-44 were pending in the present application and rejected. Claims 1, 2, 6-8, 11-14, 16, 19, 22, 24, 28-30, 33, 34, 36, 39, 42, and 44 are amended. No new matter is added. The rejections are respectfully traversed in light of the following remarks, and reconsideration is requested.

Rejections under 35 U.S.C. § 112

Claims 1-44 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite. In particular, the term "consumer/transaction" was deemed vague and indefinite.

Claims 1, 2, 13, 16, 19, 22, 24, 33, 36, 42, and 44 containing this term have been amended to delete "consumer/transaction" and recite simply "identifier."

Accordingly, Applicant believed the amendments render claims 1-44 definite under 35 U.S.C. 112, and Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. 112.

Rejections under 35 U.S.C. § 101

Claims 1-23 were rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 has been amended to recite steps that are performed by a processor and transmitting information instructing a merchant to perform an action.

Thus, Applicant believes claim 1 and its dependent claims are now statutory, and Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. 101.

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Rejections under 35 U.S.C. § 102

Claims 1-44 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Publication No. 2002/0099649 to Lee et al. (hereinafter Lee).

Lee teaches a scoring system in which key identifiers are processed, resulting in a score associated with a transaction that is transmitted to the merchant. (See, e.g., paras. [0043] and [0066]). This score can be a number ranging from 1 to 999, for example, and reasons for the score can be included in the transmission to the merchant. (Paras. [0043] and [0066]). Of note is that the merchant then determines a course of action based on the score. As paragraph [0043] states:

> The estimation, in the form of a score, and optionally reasons for the score, special situation reports, and rules exceptions, is returned to the Internet merchant. The Internet merchant then decides whether to approve, decline, ask for more information, out-sort to a human analyst, or take other actions with respect to the transaction using the fraud estimation.

Throughout the specification, Lee describes a score sent to the merchant, and then the merchant deciding what to do with the transaction. Thus, the scoring system simply provides a score that the merchant uses. It is the merchant that ultimately decides how to handle the transaction.

In contrast, claim 1, as amended, recites "transmitting, by the processor, information based on the identifier to the merchant instructing the merchant of an action to take." Support for the amendment is found in Applicant's specification at [0238]. Thus, no new matter is added. Examples of actions include approving the transaction, denying the transaction, and requesting additional information from the customer or merchant. Consequently, the method recited in claim 1 processes the transaction data and returns instructions to the merchant for a course of action. There is no need for the merchant to decide anything, because the system has already decided a best course of action for the merchant to take. This makes the fraud

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detection system easier for the merchant than the one described in Lee, which requires the merchant to decide an action based on a score or implement a rules engine to process the score.

Therefore, because Lee does not teach or suggest "transmitting, by the processor, information based on the identifier to the merchant instructing the merchant of an action to take," as recited in claim 1, claim 1 is believed patentable over Lee.

Independent claim 24, as amended, recites "transmit information based on the identifier to the merchant instructing the merchant of an action to take," and independent claim 44, as amended, recites "means for transmitting information based on the identifier to the merchant instructing the merchant of an action to take." Thus, for reasons similar to claim 1 discussed above, claims 24 and 44 are believed patentable over Lee.

The remaining claims depend on claims 1 and 24 and are therefore patentable over Lee for at least the same reasons as claims 1 and 24 discussed above.

Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 102.
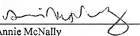
CONCLUSION

For the foregoing reasons, Applicant believes pending claims 1-44 are allowable, and a notice of allowance is respectfully requested. If the Examiner has any questions regarding the application, the Examiner is invited to call the undersigned Attorney at (949) 752-7040.
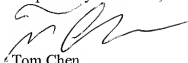
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